

July 24-27, 2013 | Eldorado Hotel | Santa Fe, New Mexico

**National Housing & Rehabilitation Association's**



# 2013 Summer Institute

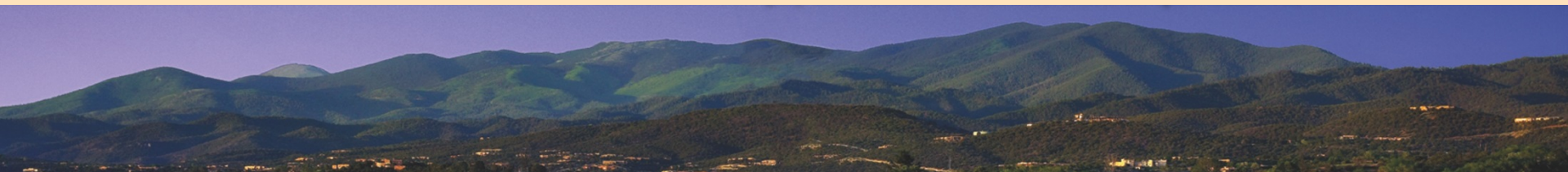
*Financing Mixed-Use Development with  
New Markets Tax Credits:*

*Stout Street Integrated Health Center &  
Supportive Housing Lofts Development*

Speaker:

Tim Karp

U.S. Bancorp Community Development Corporation



# USBCDC Overview

- USBCDC is a wholly-owned community development investment subsidiary of U.S. Bank
- USBCDC is headquartered in St. Louis with offices in Los Angeles, Denver, Minneapolis, Kansas City, and Washington DC with a permanent staff of over 200 individuals
- USBCDC makes **Tax Credit equity investments** in New Markets (NMTC), Historic (HTC), Renewable Energy (ITC), and Low Income Housing Tax Credit (LIHTC) projects
- As of June 2013, USBCDC:
  - Invested over \$3.74B in tax credit equity to eligible projects
  - Financed over 844 NMTC transactions in 48 states
  - Partnered with over 172 CDEs

# STOUT STREET INTEGRATED HEALTH CENTER AND SUPPORTIVE HOUSING LOFTS DEVELOPMENT



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# STOUT STREET INTEGRATED HEALTH CENTER AND SUPPORTIVE HOUSING LOFTS DEVELOPMENT

- Deal Team:
  - NMTC Investor – U.S. Bancorp CDC
  - Leverage Lender – Project Sponsor Affiliate (Utilizing sponsor equity & loan proceeds from U.S. Bank NA bridging a HRSA Capital Grant & Other Grants)
  - CDEs – Building America CDE & USBCDE
  - Project Sponsor – Colorado Coalition for the Homeless
  - QALICB – Stout Street Health Center LLC (real estate special purpose entity)

# STOUT STREET INTEGRATED HEALTH CENTER AND SUPPORTIVE HOUSING LOFTS DEVELOPMENT

- The mission of the Colorado Coalition for the Homeless is to work collaboratively toward the prevention of homelessness and the creation of lasting solutions for homeless and at-risk families, children, and individuals throughout Colorado.
- The Coalition advocates for and provides a continuum of housing and a variety of services to improve the health, well-being and stability of those it serves.
- Since its founding more than 25 years ago, the organization has earned state and national recognition for its integrated healthcare, housing and service programs.
- The Coalition's comprehensive approach addresses the causes of homelessness, as well as the consequences, offering critical assistance to over 15,000 individuals and families each year.



# STOUT STREET INTEGRATED HEALTH CENTER AND SUPPORTIVE HOUSING LOFTS DEVELOPMENT

- The Colorado Coalition for the Homeless is constructing a mixed-use development on a 42,000SF site on Stout Street in Denver:
  - to meet the integrated health care and supportive housing needs of homeless families in Denver, including those who are chronically homeless with disabilities .
  - The Stout Street Integrated Health Center and Stout Street Lofts will consist of a 50,000 sq. ft. integrated health clinic to serve the Metro Denver community
  - Also will have 78 units of affordable, supportive housing to meet the housing needs of homeless individuals and families, veterans, and individuals working downtown who are unable to afford market rate apartments in the area.
  - This site is an assembled parcel at the SW corner of 22<sup>nd</sup> and Stout Streets in the Arapahoe Square area, formerly used as surface parking, a warehouse, and a vacant structure.



# STOUT STREET INTEGRATED HEALTH CENTER AND SUPPORTIVE HOUSING LOFTS DEVELOPMENT

- Community Impacts:
  - Jobs: 75 construction jobs (all union) and 70 full-time permanent health care jobs, while retaining more than 100 full-time jobs
  - Health Care: Replace current overcapacity health care clinic that is almost 30 years old.
  - Sustainability: The development will be designed in accordance with Green Communities guidelines established by Enterprise Communities, utilizing green building materials in its structure, exterior finishes and interior finishes.

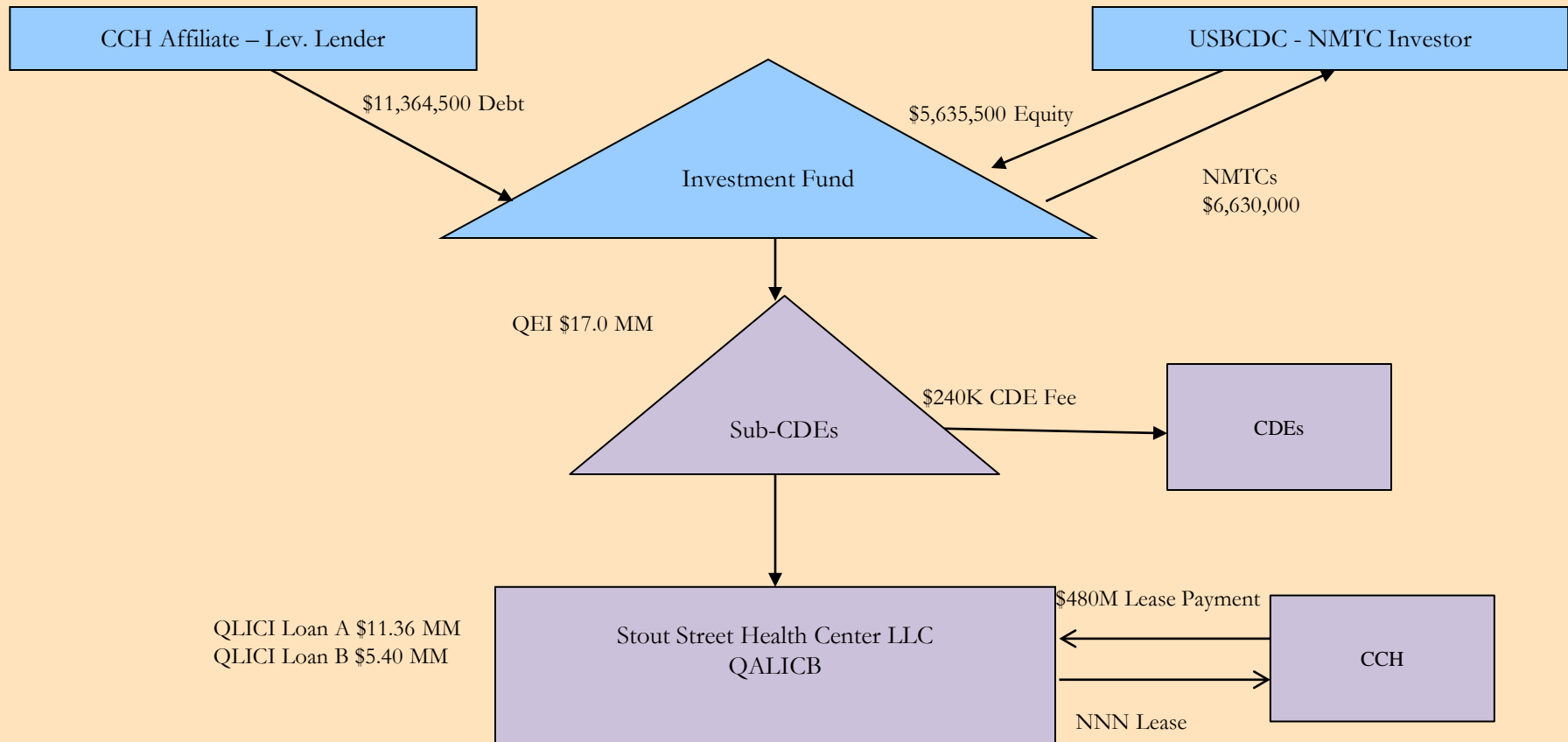


# STOUT STREET INTEGRATED HEALTH CENTER AND SUPPORTIVE HOUSING LOFTS DEVELOPMENT

- Deal Structure
  - “Side by Side” NMTC & LIHTC Financing
  - QALICB purchased the condo for the health clinic from the LIHTC partnership
  - Variety of financing sources:
    - Sponsor Equity
    - USBNA Loan
    - HRSA Capital Grant/Other Grants
    - Tax Credit Equity



# STOUT STREET INTEGRATED HEALTH CENTER AND SUPPORTIVE HOUSING LOFTS DEVELOPMENT



# STOUT STREET INTEGRATED HEALTH CENTER AND SUPPORTIVE HOUSING LOFTS DEVELOPMENT

- Things to think about:
  - LIHTC/NMTC: How will you separate financing sources and uses?
  - Financing: Have firm commitments on leverage & other sources.
  - Real Estate: Have clear timing of real estate due diligence items
  - NMTC Timing: NMTC industry is cyclical in nature. Be aware of NMTC industry deadlines to make sure your project timing works with NMTC awards & deployment timing. Get in CDE pipelines early.